GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:88
ANSWERED ON:22.07.2016
Merger of Banks
Raghavan Shri M. K.;Tumane Shri Krupal Balaji

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to merge small Public Sector Banks (PSBs) with large banks including Associate Banks with State Bank of India (SBI) and if so, the details thereof;
(b) whether the Government has consulted all the stakeholders including Bank employee unions/representatives of the Associate Banks in this regard, if so, the details of deliberations held with them and the outcome thereof;
(c) whether pending merger, SBI has taken steps to take over corporate clients, etc. of Associate Banks and if so, the justification thereof; and
(d) the steps taken/being taken to protect the interests of the employees of the subsidiary banks and the time by which a final decision is likely to be taken by the Government in this regard?

Answer

THE FINANCE MINISTER

(a) to (d): A Statement is laid on the Table of the House.

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STATEMENT FOR LOK SABHA STARRED QUESTION NO. *88 FOR 22nd JULY, 2016 REGARDING "MERGER OF BANKS" TABLED BY SHRI KRUPAL BALAJI TUMANE AND SHRI M.K. RAGHAVAN, MEMBERS OF PARLIAMENT.
(a) & b): The Central Government has sanctioned the proposal of State Bank of India (SBI) u/s 35(1) of SBI Act, 1955 to enter into negotiations with Subsidiary Banks of SBI and Bharatiya Mahila Bank for acquiring the businesses including the assets and liabilities. The proposal for acquisition has been originated by respective Boards.
(c): No, sir.
(d): SBI has informed that the interest of the employees of the Subsidiary Banks will not be affected. The pay and allowances offered to employees / officers of the merging Banks will not be less than the overall pay and allowances as they would have drawn in the merging Banks.

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